

### REMARKS

Reconsideration and allowance are respectfully requested in light of the above amendments and the following remarks.

Claims 1-3, 9, 10, 15-20, and 29 have been amended, claims 8 and 11-14 have been canceled, and claim 42 has been newly added. Applicants submit that the amendments of claims 1-3, 20, and 29 were non-narrowing and made solely to clarify these claims and no estoppel should be deemed attachable thereto. Support for the subject matter of the amended claims is provided by the original claims.

Claims 1-17, 19-39, and 41 were rejected, under 35 USC §102(b), as being anticipated by Davis et al. (US 6,105,008). Claims 8 and 40 were rejected, under 35 USC §103(a), as being unpatentable over Davis in view of Brown et al. (US 5,455,863). Since Davis does not qualify as a §102(b) reference against the present application, Applicants will treat Davis as though applied under 35 USC §102(a). Applicants respectfully traverse the rejections for the reasons discussed below.

Davis fails to disclose the features recited in claim 1 wherein a local client, serving as a host to a PSD for communication via a network with a remote computer system: (1) separates encapsulated APDUs from incoming message packets, received from the remote computer system, to generate

desencapsulated APDUs that are routed to the PSD and (2) encapsulates incoming APDUs, received from the PSD, into outgoing message packets that are routed to the remote computer system.

By contrast to the noted claim features, Davis discloses in Fig. 16 a loading system for payment of goods over a network (Internet 202), whereby a PSD 5 uses a local client 204 as a host. The local client 204 further comprises means 235, 236' for functionally connecting to a PSD interface 210 and network 202 and means 236' for functionally communicating over network 202 with a remote computer system 206'. Local client 204 comprises client communications means for transmitting and receiving messages over the network using a packet-based communications protocol (IP protocol) and for transmitting and receiving APDUs through PSD interface 210.

Local client 204 comprises first client data processing means for receiving incoming messages from the remote computer system using the client communications means and for separating encapsulated APDUs from the incoming message packets. Local client 204 also comprises second processing means for encapsulating APDUs into outgoing message packets and routing the outgoing message packets to the remote computer system through the client communications means.

However, Davis differs from the above-noted features of claim 1 in that Davis' first client data processing means do not route the APDUs that are separated from incoming message packets to the PSD through the PSD interface. Additionally, Davis differs from the above-noted features of claim 1 in that Davis' second client data processing means do not encapsulate into outgoing message packets the APDUs that are received from the PSD through the PSD interface.

As described several times in Davis (for instance at col. 8, lines 49-54, col. 10, lines 18-19, col. 10, lines 29-35, col. 11, lines 44-47, col. 12, lines 26-32, col. 12, lines 43-51, and col. 12, lines 64-67), Davis' local client 204 translates APDUs received from its PSD interface 210 into higher level messages to analyze their content and to generate, afterwards, a "draw request" that is then sent to payment server 206'.

Reciprocally, local client 204 translates into higher level messages the APDUs coming from the payment server and then generates new messages that are translated into APDU format to be sent to the PSD interface. Payment server 206' interacts locally with security cards 218, 220 in the same way as the client terminal interacts with PSD 5, except that its PSD interface may comprise a terminal concentrator 212 connected to several card readers.

In fact, Davis teaches local interaction between a smart card and a terminal and teaches limiting exchanges over an open network, since they are considered insecure (see col. 12, lines 43-51).

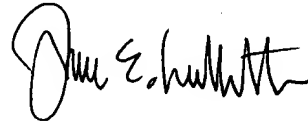
Therefore, Davis does not disclose generating a communication pipe between a PSD and a remote computer system, via a network, by directly encapsulating APDUs coming from a PSD interface of a client into outgoing messages sent to the remote computer system. Additionally, Davis does not disclose a means for routing to the PSD interface of the client encapsulated APDUs separated from incoming messages received from the remote computer system.

Accordingly, Applicants submit that Davis does not anticipate the subject matter defined by claim 1. Independent claims 20, 29, and 42 similarly recite the features distinguishing apparatus claim 1 from Davis, but with respect to methods. For similar reasons that these features distinguish claim 1 from Davis, so too do they distinguish claims 20, 29, and 42. Therefore, allowance of claims 1, 20, 29, and 42 and all claims dependent therefrom is warranted.

In view of the above, it is submitted that this application is in condition for allowance and a notice to that effect is respectfully solicited.

If any issues remain which may best be resolved through a telephone communication, the Examiner is requested to telephone the undersigned at the local Washington, D.C. telephone number listed below.

Respectfully submitted,



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JEL/DWW/att

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